

Message Text

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PAGE 01 PANAMA 00933 091510Z
ACTION ARA-10

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FM AMEMBASSY PANAMA
TO SECSTATE WASHDC PRIORITY 654

C O N F I D E N T I A L PANAMA 0933

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FOR AMBASSADORS BUNKER AND LINOWITZ FROM AMBASSADOR JORDEN

E.O. 11652: GDS
TAGS: ELAB, PFOR, PN, PQ
SUBJECT: WORSENING CANAL ZONE EMPLOYEE SITUATION

REF: PANAMA A23 OF FEBRUARY 8, 1977

1. THIS EMBASSY HAS JUST COMPLETED AN ANALYSIS OF THE
"MOOD" OF THE AMERICAN EMPLOYEES OF THE PANAMA CANAL
COMPANY/GOVERNMENT LIVING IN THE CANAL ZONE (REFAIRGRAM).
OUR CONCLUSIONS CAN BE SUMMARIZED BRIEFLY:

2. AMONG THESE EMPLOYEES, THERE IS GROWING RESIGNATION
TO THE LIKELIHOOD THAT THERE WILL BE A NEW TREATY,
WHICH WILL, IN WAYS STILL UNKNOWN, CHANGE THEIR ENTIRE
WAY OF LIFE. TENSION IS INCREASED NOT ONLY BY UNCERTAINTY
ABOUT THE TREATY--WHICH GROWS AS THE TREATY'S SIGNING
SEEMS TO DRAW NEARER--BUT ALSO BY THEIR PERCEPTION OF
A HOSTILE PANAMANIAN GOVERNMENTM WORST OF ALL, MANY
HAVE LOST ALL FAITH THAT THE U.S. GOVERNMENT CARES ABOUT
THEM OR WILL ACT EFFECTIVELY TO PROTECT THEIR INTEREST.
SOME PANCANAL AMERICANS WILL ACCEPT THIS SITUATION
STOICALLY AND RESPONSIBLY, WAITING TO SEE WHAT THE
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PAGE 02 PANAMA 00933 091510Z

TREATY BRINGS. AMONG A GREATER NUMBER, HOWEVER,
THERE IS A MOOD OF BITTERNESS AND DISILLUSION. ONE
RESULT OF THIS IS THE UNUSUALLY LARGE NUMBER OF
RESIGNATIONS DURING THE PAST YEAR--A TREND WHICH WE
EXPECT WILL ACCELERATE UNLESS EFFECTIVE MEASURES ARE
TAKEN TO CHECK IT. ALSO, IN THIS ATMOSPHERE, PROVOCATION
AND EVEN VIOLENCE BY PANCANAL EMPLOYEES ARE BY NO

MEANS OUT OF THE QUESTION. SUCH VIOLENCE WOULD BE TRAGIC IN ITSELF; IT COULD ALSO JEOPARDIZE OUR EFFORTS TO ACHIEVE A JUST AND LASTING SETTLEMENT TO THE CANAL ISSUE.

3. THE BEST WAY TO OVERCOME THIS SERIOUS AND WORSENING PROBLEM IS TO SIGN AND RATIFY AS SOON AS POSSIBLE A TREATY WHICH DOES JUSTICE BY THE EMPLOYEES. IN THE MEANWHILE, HOWEVER, I RECOMMEND STRONGLY THAT WE DO THE FOLLOWING:

A. MAKE A MAJOR EFFORT TO PRODUCE AND ANNOUNCE A JOB GUARANTEE (OR THE NEAREST THING POSSIBLE) WITHIN THE NEXT FEW WEEKS.

B. FOLLOWING THE NEXT NEGOTIATING ROUND, HAVE THOSE MEMBERS OF THE TEAM MOST DIRECTLY CONCERNED WITH THIS ISSUE STAY ON IN PANAMA.

C. THEN CONTINUE TO NEGOTIATE THE EMPLOYEE ISSUE WITH PANAMA HERE, ON A PRIORITY BASIS. THEN MEMBERS SHOULD BE AVAILABLE TO CONSULT WITH--AND SHOULD ACTIVELY SOLICIT THE VIEWS OF--ALL INTERESTED PARTIES IN THE CANAL ZONE, INCLUDING MANAGEMENT, LABOR AND COMMUNITY GROUPS, WHILE THESE DISCUSSIONS ARE IN PROGRESS.

D. IF AGREEMENT ON THIS ISSUE IS COMPLETED WHILE FINAL NEGOTIATION OF THE ENTIRE TREATY IS NOT, THEN SEEK PANAMANIAN AGREEMENT TO INFORM EMPLOYEES OF THE OUTCOME AS IT DIRECTLY EFFECTS THEM.

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PAGE 03 PANAMA 00933 091510Z

RM YOU WILL HAVE NOTED THAT TORRIJOS MET YESTERDAY WITH REPRESENTATIVES OF U.S. UNIONS ACTIVE IN THE ZONE. THIS HAS EXACERBATED FEELINGS THAT U.S. GOVERNMENT ITSELF IS NOT BEING CANDID WITH ITS OWN CITIZENS AND THAT PANAMA IS BEING MORE OPEN THAN WE ARE. THAT SHOULD NOT CONTINUE.
JORDEN

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